Re: Republic of Kenya: Urban Water and Sanitation OBA Fund for Low-Income Areas
Grant Number TF016395-KE

Amendment to the Grant Agreement

Honorable:

We refer to the Global Partnership on Output-Based Aid Grant Agreement (the "Agreement") for the above-referenced Project, dated September 5, 2014, between the Republic of Kenya (the "Recipient") and the International Bank for Reconstruction and Development acting as Administrator of the Global Partnership on Output-based Aid ("World Bank"). We also refer to your letter dated November 16, 2017, requesting changes to the Agreement.

The World Bank hereby proposes to amend the Agreement as set forth below:

1. Section III.B.2 of Schedule 2 to the Agreement is amended to read as follows:

"2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the provisions set forth in paragraph 3; (b) Shopping; (c) Direct Contracting; (d) Force Account; (e) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; and (f) established practices of licensed water and sewerage/sanitation companies which have been found acceptable to the World Bank, for goods and works under Part 2 of the Project as per paragraph 3.15 of the Procurement Guidelines.

2. Section IV.B.2 of Schedule 2 to the Agreement is amended to read as follows:

"2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2019."
Please note that the capitalized terms used in this letter and not defined herein have the meaning ascribed to them in the Agreement.

All provisions of the Agreement which are not expressly modified in accordance with this letter remain unchanged.

Please indicate your agreement with the foregoing, by countersigning and dating the two original copies of this letter and returning one countersigned original copy to the World Bank. Upon receipt by the World Bank of said original countersigned by the authorized representative of the Recipient and dated, this amendment shall become effective as of the date of countersignature of this letter.

Sincerely,

[Signature]

T.K. Balakrishnan
Acting Country Director
Eritrea, Kenya, Rwanda and Uganda
Africa Region

AGREED:

REPUBLIC OF KENYA

By [Signature]
Authorized Representative

Name: Henry K. Rotich
Title: Cabinet Secretary, National Treasury
Date: 09-03-2018